

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## SUPPLEMENTARY EXAMINATION

TRIMESTER 1, 2015/2016

**PAT0065 – FINANCIAL ACCOUNTING**  
(Foundation in Management)

18 NOV 2015  
9.00 AM – 11.00 AM  
(2 HOURS)

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### INSTRUCTIONS TO STUDENT

1. This question paper consists of **SIX** pages.
2. Answer **ALL** questions.
3. Write your answers in the Answer Booklet.

**STRUCTURED QUESTIONS [100 MARKS]**

**Instructions:** Answer **ALL** questions in this section. Write your answers in the Answer Booklet.

**Question 1**

The following information relating to the year ended 31 December 2014 has been extracted from the books of Little Toys private limited company.

	RM
Capital	15,000
Inventory of direct materials (1 January 2014)	1,300
Inventory of direct materials (31 December 2014)	3,200
Inventory of finished goods (1 January 2014)	14,000
Inventory of finished goods (31 December 2014)	18,000
Purchase of direct materials	25,000
Advertising	53,000
Factory wages	62,000
J Henry: salary and expenses	12,000
Administrative staff salaries	52,000
Accounting staff salaries	17,000
Royalty	55,000
Depreciation on plant	28,000
Freight charges for raw materials	2,600
Indirect wages	7,200
General factory cost	7,600
Corporate car for salesperson at cost less depreciation	16,000
Carriage outwards	64,500
Fire Insurance	86,000

**Note:**

1. Depreciation for the year is to be charged as follows:

Plant and machinery	RM1300
Corporate car	RM 800

2. J Henry is the salesperson and his salary and expenses are to be treated as selling expenditure. He uses the corporate car.

3. Fire insurance is apportioned 2:3 for factory and office building respectively.

**Required**

Prepare a manufacturing account for the year ended 31 December 2014.

(Total 15 marks)

Continued...

**Question 2****Part A**

Below are the terms used in profit-oriented organization:

<u>Profit-oriented organization</u>	<u>Non-profit-oriented organization</u>
a) Capital	
b) Net profit	
c) Net loss	
d) Cash book	
e) Income Statement	

**Required**

For each of the above (a)-(e), give the terms used in non-profit-oriented organization.  
(5 marks)

**Part B**

Below are the transactions occurred in Bzness Club for the year ended 31 Dec 2014.

	<b>RM</b>
Total subscriptions for the year ended 31 December 2014	9,000
Donation received from club advisor	1,300
Purchase of equipment	350
Profits on sales of T-shirts	2,100
Travelling and field trips expenses	1,500
Invited speaker's fees expenses	400
Annual General Meeting expenses	700
Miscellaneous expenses	220

**Required**

Draw up the income and expenditure account for the year ended 31 December 2014.  
(10 marks)

**(Total 15 marks)**

**Continued...**

**Question 3**

James and Bond have been in partnership and always shared profits and losses 1:2. The net profit, before any distribution to the partners, amounted to RM75,000 for the year ended 31 December 2014.

- i. They are entitled to a 5% per annum interest on capitals; James having RM30,000 capital and Bond RM40,000.
- ii. They charged interest on drawings, James being charged RM3,000 and Bond RM1,000.
- iii. James is entitled to a salary of RM6,000.
- iv. Cash drawings made by each of them is RM5,000 during the year.

**Required**

- a) Prepare Income Statement showing Appropriation Account for the year ended 31 December 2014 showing how the net profit is being shared between the partners.  
(12 marks)
- b) Prepare the partners current accounts in columnar form. Close the current accounts  
(8 marks)

**(Total 20 marks)**

**Continued...**

**Question 4**

Cam Bhd has 500,000 shares of RM1 par ordinary shares and 300,000 shares of RM1.00 par 6% preference shares. It expects to pay annual dividends of RM18,500, RM15,000, RM9,000, and RM35,000 respectively for the next four years.

**Required**

By completing the following tables, indicate how the dividends should be distributed in each case if the preference share is given the rights or restrictions indicated below.

- a) The preference share is cumulative

Year	Total Dividends (RM)	Preference Dividends		Ordinary Shares	
		Total (RM)	Per Share (RM)	Total (RM)	Per Share (RM)
1	18,500				
2	15,000				
3	9,000				
4	35,000				

**\*Please copy this table to your answer booklet**

(10 marks)

- b) The preference share is non-cumulative

Year	Total Dividends (RM)	Preference Dividends		Ordinary Shares	
		Total (RM)	Per Share (RM)	Total (RM)	Per Share (RM)
1	18,500				
2	15,000				
3	9,000				
4	35,000				

**\*Please copy this table to your answer booklet**

(10 marks)

**(Total 20 marks)**

**Continued...**

**Question 5**

Indicate whether each of the following items is either a cash inflow or outflow and in which section (operating, investing or financing) of the statement of cash flows it would be reported.

	Item	Inflow or Outflow	Statement Section
1.	The issuance of ordinary share	Inflow	Financing
2.	Loans made to another party		
3.	Payments to the government for taxes		
4.	Selling property, plant and equipment		
5.	Expenses paid in connection with shares issues		
6.	Payment of an account payable		
7.	Cash wages paid to employees		
8.	Dividend received		
9.	Purchase of equipment		
10.	Redemption of loan notes		

(Total 15 marks)

Continued...

**Question 6**

Quantas Enterprise is in the business of selling various wood crafts since year of 2010. Below are the accounting data of Quantas Enterprise for the past two years:

<b>Extracted income statements for the year ended</b>		
	<b><u>31 December 2013 (RM)</u></b>	<b><u>31 December 2014 (RM)</u></b>
Net sales	500,000	600,000
Opening Inventory	10,000	50,000
Net Purchases	280,000	305,000
Closing Inventory	50,000	60,000
Gross Profit	260,000	305,000
Expenses	110,000	210,000
Net Income	150,000	95,000

<b>Extracted statement of financial position as at</b>		
	<b><u>31 December 2013 (RM)</u></b>	<b><u>31 December 2014 (RM)</u></b>
Total current assets	400,000	500,000
Total current liabilities	500,000	400,000

**Required**

Compute the following ratios for the year ended **31 December 2013** and **31 December 2014** for Quantas Enterprise:

- a) Gross Profit Margin (3 marks)
- b) Net Profit margin (3 marks)
- c) Inventory turnover ratio (3 marks)
- d) Current Ratio (3 marks)
- e) Quick Ratio (3 marks)

**(Total 15 marks)**

**End of Paper**